IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. 12-
v.	:	DATE FILED: December 6, 2012
KYLE P. NOVITSKY, a/k/a "Patrick K. Navitsky," JUDITH ANN ALOE	:	VIOLATIONS: 18 U.S.C. § 371 (conspiracy to commit odometer tampering, securities fraud, and false odometer statements - 1 count) 18 U.S.C. § 513(a) (securities fraud - 11 counts) 49 U.S.C. §§ 32705(a), 32709(b) (false odometer statements - 11 counts) 18 U.S.C. § 2 (aiding and abetting)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At times relevant and material to this indictment:

1. Defendant KYLE P. NOVITSKY, a/k/a "Patrick K. Navitsky" (hereafter KYLE P. NOVITSKY or NOVITSKY) was engaged in the buying and selling of used motor vehicles.

2. Defendant JUDITH ANN ALOE (hereafter JUDITH ANN ALOE or ALOE) was engaged in the buying and selling of used motor vehicles.

3. As used in this indictment, the following vehicle numbers refer to the vehicles identified below:

VEHICLE NO.	YEAR/MAKE/MODEL	VEHICLE IDENTIFICATION NO.
1	2005 Chevrolet Express Cargo Van	1GCHG35U551122544
2	2005 Dodge Caravan	1D4GP21E45B371452
3	2006 Toyota Camry	4T1BE32K16U131879
4	2005 Chevrolet Astro Cargo Van	1GCDM19X85B125075
5	2006 Ford F-250	1FTSX21526EA75112
6	2006 Chevrolet Express Cargo Van	1GCHG35U261155809
7	2007 Dodge Grand Caravan	2D4GP44L47R242444
8	2006 Chevrolet Express Cargo Van	1GCHG39U961201999
9	2007 Dodge Grand Caravan	2D8GP44L27R174305
10	2005 Dodge Caravan	1D4GP21EX5B371438
11	2005 Chevrolet Silverado	2GCEC13TX51146605

THE CONSPIRACY

4. Beginning at least as early as August 2004, and continuing through at least January 2010, in the Eastern District of Pennsylvania and elsewhere, defendants

KYLE P. NOVITSKY,
a/k/a "Patrick K. Navitsky," and
JUDITH ANN ALOE

conspired and agreed with each other, and other persons known and unknown to the grand jury, to commit offenses against the United States, that is:

(a) to knowingly and willfully reset and alter, and cause to be reset and altered, the odometers of used motor vehicles, intending to change the mileage registered by the odometers, in violation of Title 49, United States Code, Sections 32703(2) and 32709(b);

(b) to knowingly and willfully give and cause to be given, in making the written disclosures to the buyers of used motor vehicles required by Title 49, United States Code, Section 32705(a), and Title 49, Code of Federal Regulations, Part 580, false statements relating to the actual mileage of the vehicles, in violation of Title 49, United States Code, Sections 32705(a) and 32709(b); and

(c) with intent to deceive another person, organization, and government, to knowingly make, utter, and possess counterfeit and forged securities of the Commonwealth of Pennsylvania, in violation of Title 18, United States Code, Section 513(a).

PURPOSE AND SCOPE OF THE CONSPIRACY

5. It was the purpose of the conspiracy to cause both the immediate and subsequent buyers of used motor vehicles, including ultimate consumers, to pay more for the vehicles than they would have paid if they had known the vehicles' actual mileage. Over the course of this conspiracy, defendants purchased at high mileage, and resold at false, low mileage, approximately 247 vehicles.

MANNER AND MEANS

It was a part of the conspiracy that:

6. Using many different dealer names, both real and fictitious, defendants NOVITSKY and ALOE purchased and caused to be purchased used vehicles (mostly newer, high-mileage vehicles) from franchise offices of a national vehicle leasing company in Florida, California, and elsewhere.

7. Defendants NOVITSKY and ALOE paid for the high-mileage vehicles with cashier's checks and wire transfers from various bank accounts.

8. After purchasing the high-mileage vehicles, defendants NOVITSKY and ALOE transported and caused to be transported vehicles from the leasing company offices where they were purchased to the Eastern District of Pennsylvania and elsewhere.

9. After purchasing the vehicles, defendants NOVITSKY and ALOE caused to be rolled back the vehicles' odometers to lower mileage figures (vehicles with such altered odometers are called "rolled-back vehicles" below).

10. Defendants NOVITSKY and ALOE altered and caused to be altered automobile titles and other motor vehicle title and ownership documents in order to conceal the vehicles' actual high mileages.

11. Using altered vehicle title and ownership documents, defendants NOVITSKY and ALOE obtained and caused to be obtained, usually in the names of various licensed Pennsylvania dealers, automobile titles for the rolled-back vehicles which showed false low mileages for the vehicles.

12. In order to make the appearance and condition of the vehicles match the false low mileages, defendants NOVITSKY and ALOE caused repairs to be made to the vehicles known as "cosmetic reconditioning."

13 Using different dealer names, defendants NOVITSKY and ALOE sold and caused to be sold rolled-back vehicles at wholesale auto auctions in Manheim, Pennsylvania, and elsewhere, and provided to the buyers false low-mileage Pennsylvania titles.

14. The actions and misrepresentations of defendants NOVITSKY and ALOE resulted in the defendants obtaining higher prices for the vehicles sold than they would have received if the vehicles had correct mileage readings, and buyers of the vehicles, including

ultimate consumers, paid more for the automobiles than they would have paid if they had known the vehicles' true mileage.

OVERT ACTS

In furtherance of the conspiracy, defendants NOVITSKY, ALOE, and others known and unknown to the grand jury, committed the following overt acts, in the Eastern District of Pennsylvania and elsewhere:

1. On or about October 19, 2005, defendant JUDITH ANN ALOE opened a bank account ending in 9061 at Community Bank & Trust in Clarks Summit, Pennsylvania, that ALOE used to purchase high mileage vehicles.

2. In or around April 2006, defendant JUDITH ANN ALOE applied for an automobile dealer's license from the State of Alabama.

3. In or around June 2006, defendant KYLE P. NOVITSKY, using the alias "Patrick K. Navitsky," completed an application with an automobile auction to be an authorized representative to buy and sell cars on behalf of an automobile dealership owned by defendant JUDITH ANN ALOE, which application was approved by ALOE.

4. On or about March 8, 2007, KYLE P. NOVITSKY opened a bank account ending in 9862 at Citizens Bank in Pennsylvania in the name of an automobile dealership that was used by NOVITSKY to purchase high mileage vehicles and pay for expenses of the conspiracy, including transportation costs and vehicle repairs.

5. On or about September 14, 2007, defendant JUDITH ANN ALOE opened a business bank account ending in 7668 at Citizens Bank in Pennsylvania that was used by defendant JUDITH ANN ALOE to purchase high mileage vehicles, pay for vehicle repairs, and deposit proceeds of vehicles sold at auction.

6. On or about January 22, 2008, defendant KYLE P. NOVITSKY agreed to purchase Vehicle No. 1 for $7,800 from a leasing company in Florida, knowing that the vehicle had 83,193 miles.

7. On or about January 31, 2008, defendant KYLE P. NOVITSKY obtained and caused to be obtained from the Pennsylvania Department of Transportation a counterfeit Pennsylvania title for Vehicle No. 1, which falsely represented that Vehicle No. 1 had 23,193 miles.

8. On or about February 8, 2008, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused Vehicle No. 1 to be sold for $13,580 at a wholesale automobile auction in Manheim, Pennsylvania, with a false representation that the vehicle had 25,067 miles, when in fact the vehicle had at least 83,193 miles.

9. On or about August 12, 2008, defendant KYLE P. NOVITSKY agreed to purchase Vehicle No. 4 for $4,000 from a leasing company in Florida, knowing that the vehicle had 84,376 miles.

10. On or about August 13, 2008, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused to be wired $4,000 from a Community Bank & Trust account ending in 7651 to a leasing company in Florida to purchase Vehicle No. 4.

11. On or about August 28, 2008, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused to be obtained from the Pennsylvania Department of Transportation a counterfeit Pennsylvania title for Vehicle No. 4, which falsely represented that Vehicle No. 4 had 24,376 miles.

12. On or about September 5, 2008, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused Vehicle No. 4 to be sold for $10,275 at a wholesale automobile

auction in Manheim, Pennsylvania, with a false representation that the vehicle had 26,127 miles, when in fact the vehicle had at least 84,376 miles.

13. On or about October 10, 2008, defendant KYLE P. NOVITSKY agreed to purchase Vehicle No. 5 for $5,000 from a leasing company in Florida, knowing that the vehicle had 146,813 miles.

14. On or about October 15, 2008, defendant JUDITH ANN ALOE wired funds from the Community Bank & Trust account ending in 9061 to a leasing company in Florida to purchase Vehicle No. 5.

15. On or about October 28, 2008, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused to be obtained from the Pennsylvania Department of Transportation a counterfeit Pennsylvania title for Vehicle No. 5, which falsely represented that Vehicle No. 5 had 36,810 miles.

16. On or about November 4, 2008, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused Vehicle No. 5 to be sold at a wholesale automobile auction in Manheim, Pennsylvania, with a false representation that the vehicle had 38,066 miles, when in fact the vehicle had at least 146,813 miles.

17. On or about November 12, 2008, the automobile dealership through which defendants KYLE P. NOVITSKY and JUDITH ANN ALOE sold Vehicle No. 5 issued a check payable to JUDITH ANN ALOE for $10,205.

18. On or about January 6, 2009, defendant JUDITH ANN ALOE opened a business bank account ending in 9479 at Citizens Bank in Pennsylvania that was used by defendant JUDITH ANN ALOE and KYLE P. NOVITSKY to pay for vehicle repairs and other vehicle expenses, and to deposit proceeds of vehicles sold at auction.

19. On or about June 19, 2009, defendant JUDITH ANN ALOE became a Power of Attorney signatory for defendant KYLE P. NOVITSKY on a checking account ending in 4699 opened in NOVITSKY's name at Citizens Bank in Pennsylvania, which was used by the defendants in the course of the conspiracy to purchase high mileage vehicles, pay for transportation and other expenses, and deposit proceeds from the sale of vehicles.

20. On or about July 6, 2009, defendant KYLE P. NOVITSKY agreed to purchase Vehicle No. 11 for $7,300 from a leasing company in Florida, knowing that the vehicle had 165,632 miles.

21. On or about July 7, 2009, defendant JUDITH ANN ALOE wired $7,300 from the Community Bank & Trust account ending in 9061 to a leasing company in Florida to purchase Vehicle No. 11.

22. On or about July 15, 2009, defendant JUDITH ANN ALOE obtained from the Pennsylvania Department of Transportation a counterfeit Pennsylvania title for Vehicle No. 11, which falsely represented that Vehicle No. 11 had 55,632 miles.

23. On or about July 17, 2009, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE deposited into the Citizens Bank account ending in 9479 a check with the proceeds from selling Vehicle No. 11 at a wholesale automobile auction in Manheim, Pennsylvania.

24. On or about October 14, 2009, defendant JUDITH ANN ALOE agreed to purchase a 2007 Buick Lucerne with VIN 1G4HD57217U202503 ("the Buick Lucerne") for $10,000 from a leasing company in Wisconsin, knowing that the vehicle had 107,116 miles.

25. On or about October 15, 2009, defendant JUDITH ANN ALOE wired $10,000 from her Citizens Bank account ending in 7668 to a leasing company in Wisconsin to purchase the Buick Lucerne.

26. On or about October 26, 2009, defendant KYLE P. NOVITSKY obtained from the South Carolina Department of Motor Vehicles a counterfeit South Carolina title for the Buick Lucerne, which falsely represented that the Buick Lucerne had 17,239 miles.

27. On or about October 29, 2009, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE caused the Buick Lucerne to be sold for $18,700 at a wholesale automobile auction in Lock Haven, Pennsylvania, with a false representation that the vehicle had 18,606 miles, when, in fact, the vehicle had at least 107,116 miles.

28. On or about October 29, 2009, defendant KYLE P. NOVITSKY deposited a check with the proceeds from selling the Buick Lucerne into defendant JUDITH ANN ALOE'S Citizens Bank account ending in 7668.

29. On or about November 11, 2009, defendant JUDITH ANN ALOE wire transferred $8,500 from her Citizens Bank business account ending in 7668 to purchase a 2007 Ford F-250 with VIN 1FTSX205X7EA59484 ("the 2007 Ford F-250") for $8,500 from a lease company in California, knowing that the vehicle had 117,642 miles.

30. On or about November 19, 2009, defendants KYLE P. NOVITSKY and JUDITH ANN ALOE obtained from the Pennsylvania Department of Transportation a counterfeit Pennsylvania title for the 2007 Ford F-250, which falsely represented that the 2007 Ford F-250 had 33,642 miles.

31. On or about November 25, 2009, defendant JUDITH ANN ALOE deposited into her Citizens Bank account ending in 7668 a $13,905 check from the sale of the 2007 Ford F-250 at a wholesale automobile auction in York, Pennsylvania.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH TWELVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One are incorporated here.

2. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendants

KYLE P. NOVITSKY,
a/k/a "Patrick K. Navitsky," and
JUDITH ANN ALOE

knowingly made, uttered, and possessed, and aided and abetted and willfully caused, the making, uttering, and possession of, forged and counterfeited securities of the Commonwealth of Pennsylvania – namely, certificates of title relating to the motor vehicles listed below – with the intent to deceive other persons, organizations, and governments, each such instance being a separate Count of this Indictment:

COUNT	DATE	VEHICLE
2	February 8, 2008	1
3	July 25, 2008	2
4	August 1, 2008	3
5	September 5, 2008	4
6	November 4, 2008	5
7	December 5, 2008	6
8	February 6, 2009	7
9	April 24, 2009	8
10	May 1, 2009	9

11	June 26, 2009	10
12	July 17, 2009	11

All in violation of Title 18, United States Code, Section 513(a) and Title 18, United States Code, Section 2.

COUNTS THIRTEEN THROUGH TWENTY-THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One are incorporated here.

2. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendants

KYLE P. NOVITSKY,
a/k/a "Patrick K. Navitsky," and
JUDITH ANN ALOE

did knowingly and willfully give and caused to be given, in making the written disclosures to the buyers of used motor vehicles required by Title 49, United States Code, Section 32705(a), and Title 49, Code of Federal Regulations, Part 580, false statements relating to the cumulative mileage registered on the odometers of the motor vehicles listed below, in that defendants NOVITSKY and ALOE certified as accurate the false mileage listed below, when in fact the odometers of the vehicles had registered the high mileage listed below when the defendants acquired the vehicles, each such instance being a separate Count of this Indictment:

COUNT	DATE	VEHICLE	HIGH MILEAGE	FALSE MILEAGE
13	February 8, 2008	1	83,193	23,193
14	July 25, 2008	2	107,578	27,578
15	August 1, 2008	3	108,820	28,820
16	September 5, 2008	4	84,376	24,376
17	November 4, 2008	5	146,813	36,810
18	December 5, 2008	6	121,270	21,270
19	February 6, 2009	7	81,183	27,289
20	April 24, 2009	8	88,802	28,810

21	May 1, 2009	9	99,847	19,850
22	June 26, 2009	10	163,767	38,767
23	July 17, 2009	11	165,632	55,632

All in violation of Title 49, United States Code, Sections 32705(a) and 32709(b), and Title 18, United States Code, Section 2.

A TRUE BILL:

GRAND JURY FOREPERSON

ZANE DAVID MEMEGER
United States Attorney